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government of Lower Austria, shortly afterwards becoming President of the Austrian *Bauernbund* and Governor of Lower Austria. At the same time he improvised measures for the relief of famine in Vienna. The Russian military authorities were persuaded to put two or three dozen lorries at his disposal. The drivers reported to him every morning, and, accompanied by volunteer civilian guides, were sent out into the countryside to collect supplies. In the evening they returned, and the food was handed over to the municipality for distribution. Figl was specially qualified to perform this service, because he had the confidence of the peasants.

While these developments were taking place in Vienna, a series of events had occurred in the country south-west of Vienna which were to have a decisive influence on Austrian history.

In the village of Gloggnitz, at the foot of the beautiful Semmering Pass, Dr. Karl Renner, senior and most respected member of the Austrian Socialist Party, had been living since his enforced retirement from active politics in 1934. In April 1945 he was seventy-four years old, but still strong and active in body and mind. Gloggnitz was not far from Köszeg, the point on the Hungarian border where the Russian troops first entered Austria. It was therefore one of the first villages to be occupied. Dr. Renner, having advised his fellow villagers to stay where they were and not run away from the advancing army, was disappointed at the rough house-searchings to which all of them were subjected. On Easter Tuesday, therefore, two days after the arrival of the Russians, he took his stick and, without bothering to put on a coat, walked down the street in search of the local command post, in the hope of convincing the officer in charge of the villagers' peaceful intentions and preventing further mistreatment. He was directed to the next village, a mile and a half away, and there by a fortunate chance found some officers who knew his name and past record. He was sent by lorry to higher headquarters at Hochwolkersdorf, where he was received with great respect and spent the evening in discussion with senior staff officers.

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Nevertheless a great deal was accomplished at every level; by the Central Government itself, by the provinces, and by the municipalities. And it was not long before the results of their efforts could be seen. Following the example of Vienna, in some cases at the same time, the machinery of local government was set in motion in the villages and towns by the joint action of all parties. This work was carried out with the support of the Russian military authorities, who, however, did not attempt to exercise any undue influence. That this attitude should be taken by an occupying Power, in some cases while fighting was still in progress, is something for which the Russians deserve full credit. In Vienna, before the end of April, several tram services were again working, and gas and electricity were available in some parts of the city. At the beginning of May the first trains left Vienna for Klosterneuburg and Wiener Neustadt, and a restricted mail service was started again. At the end of the month the lighting of private houses was possible for short periods daily, and this was followed early in June by the restoration of street-lighting and a considerable relaxation of the curfew regulations that had been introduced in April. A very limited radio service had been opened in April, and on the 12th of June *Neues Österreich* announced proudly that for the first time for seven years the voice of Austria could be heard again by wireless in the outside world.

The two most serious matters to be settled were the problems of food and security.

The famine conditions in liberated Vienna could not easily be overcome. The city's supply problem since 1918 had always been a difficulty, and the situation in the spring of 1945 made it infinitely worse. The breakdown of communications, the vast number of refugees, and the inevitability of the Russian troops living partly off the country, when they first arrived, led in May to the reduction of the ration to 350 calories a day. The Austrians made every effort to improve the situation, though with little success. Figl's improvised collection service has already been described.[1] But the previous year's stocks were almost exhausted, and the prospects for the new harvest could

[1] [Ct. cat. 116, p. 20 — Analyst]

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731 hardly have been worse. The fighting in Lower Austria had coincided with sowing time; horses and tractors had been carried off; men of military age were still away, and the forced foreign labour brought in by the Nazis had disappeared. Women dared not go out on to the fields, and their menfolk were unwilling to leave them alone at home, with Russian troops in the neighbourhood. In these circumstances the well-intended exhortations of the *Bauernbund* and the efforts of the Lower Austrian Government could have little effect. The only hope was Allied help, and this was fortunately forthcoming. In May the Russian Army began to release food from its own stocks, and in September all four occupying Powers joined in alleviating Vienna's supply problem.

625 648 The disintegration of the Austrian police that accompanied the liberation left the country without a force for the maintenance of law and order at a time when it was most needed. Joint Russian and Austrian improvisation, however, produced a reasonably satisfactory solution of this problem, though an increase of crime was inevitable under the exceptional conditions of the time.

The Russians first established groups of auxiliary police largely under Communist leadership in the Vienna districts and parts of Lower Austria. The Austrian partisan battalion from Yugoslavia, which arrived in Vienna on the 12th of May, was also installed as a kind of Communist party-guard in the Hofburg, the old Imperial Palace, which had become the Russian headquarters. But from the beginning loyal Austrian police officials were also working energetically for the re-organization of the police. They operated at first from the Auersperg Palace, the headquarters of the Resistance, and, as early as the 13th of April, contrived to get a poster printed calling on former members of the police who had not been Nazis before 1938 to present themselves at a rendezvous in the Kandlgasse. It was very fortunate that Oskar Helmer, the Socialist Under-Secretary in the Ministry of the Interior, was one of the strongest personalities in his party. He worked consistently to prevent the re-organized force from coming under

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acceptance of such conditions. The United States High Commissioner replied by declaring that he would welcome aid to Austria under similar conditions from any other Powers, and that the American wish was for Austria to become independent of United States assistance as soon as possible.

The attitude of the Austrian Government in face of the implied Russian threat was courageous and firm. It informed the Soviet High Commissioner that some of the precautionary conditions in the agreement of which he complained were made necessary by the extra-territorial practices indulged in by the industrial enterprises in Austria under Soviet administration. These made it impossible for the Austrian Government to give assurances that American relief supplies would go exclusively to meet the needs of Austrians and not 'those of other Governments'. It was confident that the United States would be ready to withdraw the conditions as soon as the assurances could be given, and suggested that a good first step in that direction would be for the Soviet administration to begin conducting the industries under its control in accordance with Austrian laws and regulations.

Although the Paris Conference to discuss the Marshall offer met on the 12th of July 1947, the European Recovery Programme did not go into effect until the 3rd of April 1948, when the United States Government finally approved the first instalment of the necessary funds. By that time Austria had had almost three years in which to recuperate after the War. Before considering the contribution of Marshall Aid to Austrian recovery, therefore, it is necessary to examine briefly the state of the Austrian economy at the beginning of 1948.

Apart from the disastrous legacy of the War and the hand-to-mouth economic policy forced on the Austrian Government by lack of food, Austria had to contend with two other difficulties during 1946 and 1947. They were both unusually dry years, and there was a crippling shortage of coal.

Rainfall means a great deal to Austria, partly owing to its dependence on hydro-electric power, and partly because the climate of the chief grain-producing area is only just wet

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731 enough for grain production. The effects of the drought at this time were particularly unfortunate. Agriculture, from which much had been hoped, made no contribution whatever to [433] recovery. Food production in 1947 did not even reach the low level of 1946. Similarly, though hydro-electric current production was potentially over 60 per cent greater than in 1937, the total current produced in 1946 was only 24 per cent higher than in 1937. The following year it rose by about 2 per cent, but this was due entirely to the increased production of steam-driven power-stations. The amount of hydro-electric current actually fell.

316 There were several reasons for the coal shortage. Europe
433 as a whole was short of coal. Austrian consumption had risen owing to the new iron and steel works at Linz, the development of steam-driven power-stations, and the needs of the occupying forces. The country had not the foreign exchange to pay for the coal needed from abroad, and the coal provided by the Western Allies from Germany was restricted by lack of transport.

433 For several weeks at the beginning of 1947 Austrian industry practically came to a standstill owing to what were euphemistically described as 'fuel and power holidays'. Finished-goods industries were completely closed down. The paper industry for a time virtually ceased to operate, and even some firms classed as essential had to suspend work. Such a stoppage was a major disaster for an economy struggling against odds to get on to its feet.

The 1947 production figures for some of Austria's key industries give an idea of the position of the Austrian economy when Marshall Aid began. It must, however, be remembered that the situation at the end of the year was better than at the beginning, and that in the case of most industries it continued to improve during the first three months of 1948. The position, therefore, was somewhat better in April 1948 than the figures indicate.

In each case, except for agricultural produce, the production by weight is given as a percentage of the 1937 figure:—